

[6 March, 2007]

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in India by private or public sector enterprises depending on the promoters' assessment of its viability. It is not the Central Government but public and private sector enterprises who consider proposals for setting up refineries. The following Public Sector Undertakings (PSUs) have proposed to set up new refineries:—

Company	Refinery
Indian Oil Corporation Limited (IOCL)	Paradip (Orissa)
Hindustan Petroleum Corporation Limited (HPCL)	Bhathinda (Punjab)
Bharat Petroleum Corporation Limited (BPCL)	Bina (Madhya Pradesh)

(c) to (e) The cost-benefit analysis, selection of location etc. for setting up new refineries are done by the concerned company, keeping in view various factors such as availability of crude oil, domestic demand, export potential of petroleum products and other commercial considerations.

Setting up of new refineries is subject to payment of compensation to all land owners in accordance with statutory provisions and also subject to all statutory clearances for the conservation of environment.

Before according project approval, the investing companies are undertaking all relevant studies including preparation of detailed project reports.

#### **Shortage of supply of LPG**

†839. SHRIMATI SUSHMA SWARAJ: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that acute shortage of supply of LPG is being felt;

(b) whether it is also a fact that during the regime of the NDA Government, the supply LPG was in abundance; and

(c) if so, the reasons for the sudden shortfall in supply of the same?

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†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) At present, there is no overall shortage of LPG in the country and LPG supplies to distributors are being made by the Public Sector Oil Marketing Companies (OMCs) through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors. However, OMCs have reported a backlog of two-five days in the States of Madhya Pradesh, Chhattisgarh, Bihar, West Bengal and Maharashtra due to disruption in supplies on account of restricted movement of vehicles during Ardh Kumbh Mela, less input at Haldia port due to reduced draft, reduced production at Gas Authority of India Ltd. (GAIL's) fractionator at Vijayapur and disruption in pumping of LPG through pipelines. Government has advised OMCs to liquidate the backlog in these States by operating the bottling plants on holidays and during extended hours.

#### **Price of petrol and diesel**

840. SHRI SYED AZEEZ PASHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are considering a proposal to reduce the prices of petroleum products in view of the decrease in the international crude oil prices;

(b) whether it is a fact that the State-owned oil marketing companies are making profit at current prices of petrol and diesel; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) On the basis of decline in international prices, the prices of petrol and diesel were reduced on 30.11.2006. It was again reduced on 16.2.2007. The reduction was Rs. 2/- per litre and Re. 1/- per litre for petrol and diesel respectively on each occasion (Delhi Price). Based on refinery gate prices for 2nd fortnight of Feb.' 07, oil marketing companies are suffering under-recoveries on Petrol and Diesel.